

Service Date: April 22, 1992

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER Of The Application	)	UTILITY DIVISION
Of The Town of Fairview To Increase	)	DOCKET NO. 92.3.13
Rates And Charges For Water Service	)	ORDER NO. 5617
In Its Fairview, Montana Service Area.)		

\* \* \* \* \*

ORDER DISMISSING PETITION

BACKGROUND

1. On March 26, 1992, the Town of Fairview (Applicant or Town) filed a petition with the Montana Public Service Commission (Commission) pursuant to Sections 69-3-101 et seq., MCA, for an order authorizing the Applicant to increase water rates in its Fairview, Montana service area.

2. On April 16, 1992, the Town of Fairview filed a petition requesting that the Commission authorize a withdrawal of its application to increase water rates in its Fairview, Montana service area.

FURTHER FINDINGS AND DISCUSSION

3. The Commission finds that the Town had applied for an increase of approximately 10.6% in total annual revenues from rates for water service.

4. Under Section 69-7-101, MCA, the town has the power and authority to establish municipal utility rate increases up to 12% in total annual revenues without requiring the approval of the Commission. The Commission may exercise jurisdiction over municipal rate increase applications yielding an increase in total revenues in excess of 12% in any twelve-month period. Section 69-7-102, MCA. Therefore, the Commission finds that the petition should be dismissed.

## CONCLUSIONS OF LAW

1. The Montana Public Service Commission exercises jurisdiction over municipal utilities pursuant to Title 69, Chapter 7, Montana Code Annotated (MCA), for rate increase applications yielding an increase in total revenues in excess of 12% in a twelve-month period. Section 69-7-102, MCA.

2. A municipality has the power and authority to increase rates which will yield less than a 12% increase in total annual revenues, following a municipal rate hearing. Sections 69-7-101 and 69-7-111, MCA.

3. As a matter of law, a municipality's request to increase rates to yield a total annual revenue increase of 10.6% does not invoke the Commission's jurisdiction.

## ORDER

Wherefore, the Commission hereby dismisses the Application of the Town of Fairview for an increase to its rates for water service. The Town shall pursue the procedures for a municipal rate hearing in accordance with its need for an increase of less than 12% in total annual revenues. At such time as it requires increased revenues exceeding 12% in any one year, it shall reapply to the Commission.

DONE IN OPEN SESSION at Helena, Montana on this 20th day of April, 1992, by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

---

DANNY OBERG, Chairman

---

WALLACE W. "WALLY" MERCER, Vice Chairman

---

Bob Anderson, Commissioner

---

JOHN B. DRISCOLL, Commissioner

---

TED C. MACY, Commissioner

ATTEST:

Ann Peck  
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.